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The Commonwealth of Massachusetts: Auditor's dept

DEPARTMENT OF THE AUDITOR

ANNUAL REPORT

FOR THE

Year Ending November 30, 1939



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DEPARTMENT OF THE AUDITOR

STATE HOUSE, BOSTON

ANNUAL REPORT

To the Honorable Senate and House of Representatives:

I have the honor to submit my first annual report for the year ended November 30, 1939, as required by chapter 11 of the Tercentenary Edition of the General Laws, which chapter also states the powers and duties of the Department of the State Auditor.

I wish to submit for your consideration the following recommendations which I believe are necessary to improve the efficiency of this department.

Lack of Necessary Authority: I find that prior to January 1, 1923, the authority to install accounting systems and make necessary changes in existing accounting systems was vested in the Department of the State Auditor but that as of that date it was transferred to the Comptroller's Bureau under the provisions of chapter 545 of the Acts of 1922. I recommend that the State Auditor be again given this authority as from the study that I have made during the past year, I am convinced that this authority should and must go hand in hand with the post-audits of the accounts of the state departments and institutions.

Annual Audits Required: Section 12 of chapter 11 of the General Laws provides that "The department of the state auditor shall annually make a careful audit of the accounts of all departments, offices, commissions, institutions and activities of the commonwealth."

Insufficient Personnel: In reference to the above, I find that the Department of the State Auditor is not adequately staffed to carry out the said requirements and I recommend that the Legislature consider this matter and make such provisions as may be necessary to enable the department to properly carry out its statutory duty.

With further reference to this matter I find that the total number of persons in this department including the State Auditor in 1929 was 21 and in 1939, or 10 years later, there were only 24. During these years many new state agencies have been established. Some of these are Unemployment Compensation Commission, Racing Commission, Alcoholic Beverage Control Commission, Board of Registration of Hairdressers and Emergency Public Works Commission. The older departments themselves have grown and auditing them has become a longer task. While the scope of the audits has been materially enlarged, the number of permanent accountants has been increased only by one. Since most of the additional work placed on this department over the last few years has been of the more exacting type, the additional employees needed should be accountants of broad experience. Temporary help is now used to meet this need and temporary help is not always satisfactory. It is restricted in usefulness.

Unemployment Compensation Commission Audit: I desire to call especial attention to this Commission which was created by chapter 479 of the Acts of 1935.

An opinion was given us by the Attorney General in which he states, "I am of the opinion that it is your duty to audit the accounts of the Unemployment Compensation Commission."

In this opinion the Attorney General also states, "I am of the opinion, however, that you have no right to inspect and examine the original returns filed by employers with the commission."

Without this authority it would probably be impossible to make a careful examination of the accounts of this Commission, even though adequate personnel were provided.

I recommend that the Legislature consider this matter and also consider the possibility of getting Federal Funds with which to make the audit.

Audit Reports: Subsequent to each audit a copy of the detailed report on the examination has been sent to His Excellency, the Governor, the President of the

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Senate, the Speaker of the House of Representatives, the State Comptroller, and to the head of the department or institution concerned. I have inaugurated the policy of sending a complete file of the audit reports made during 1940 to the State Library. Now a copy of each report is sent to the State Librarian, so that the audit reports may be available for public inspection by interested persons and remain a permanent record.

Contracts: Another policy new to the department has been established. For the first time a careful examination of contracts is made. Every detail of these contracts is reviewed, including completion date penalties and whether or not the contract is apparently within the scope of the appropriating statute.

For the first time it has become the practice of this office to list in our reports the names of contracting firms who do business with the State.

During the 1939 fiscal year the following audits were either completed or started:

AUDITS FOR 1939 FISCAL YEAR

Governor and Council:		
Adjutant General	Nov. 3, 1938	Oct. 17, 1939
Alcoholic Beverages Control Commission	Sept. 26, 1938	July 17, 1939
Armory Commissioners	Nov. 3, 1938	Oct. 17, 1939
Art Commission for the Commonwealth	Dec. 23, 1937	Feb. 3, 1939
Ballot Law Commission	Dec. 23, 1937	Feb. 3, 1939
Commissioners on Uniform State Laws	Dec. 23, 1937	Feb. 3, 1939
Comptroller's Bureau	Dec. 1, 1937	Nov. 30, 1938
Military Reservation Commission	Nov. 3, 1937	Oct. 17, 1939
Public Bequest Commission	Dec. 13, 1937	Feb. 3, 1939
Purchasing Bureau—Supply Room	Dec. 1, 1937	Nov. 30, 1938
Soldiers' Home in Massachusetts	Nov. 3, 1938	May 29, 1939
Commissioner on State Aid and Pensions	Nov. 22, 1938	Nov. 24, 1939
State Library	Dec. 15, 1937	Feb. 9, 1939
State Planning Board	Dec. 20, 1937	Feb. 7, 1939
State Racing Commission	Dec. 1, 1938	Nov. 30, 1939
State Superintendent of Buildings	Sept. 28, 1938	Sept. 7, 1939
Legislative Department:		
Sergeant-at-Arms	Dec. 15, 1937	Apr. 27, 1939
Attorney General	Feb. 16, 1938	Feb. 21, 1939
Secretary of the Commonwealth	Oct. 14, 1938	Oct. 18, 1939
Commission on Interstate Co-operation	Oct. 31, 1938	Oct. 18, 1939
Treasurer and Receiver General	Dec. 1, 1937	Nov. 30, 1938
Emergency Finance Board	Dec. 1, 1937	Nov. 30, 1938
Emergency Public Works Commission	Dec. 1, 1937	Nov. 30, 1938
State Board of Retirement	Jan. 1, 1938	Dec. 31, 1938
Department of Agriculture	Jan. 6, 1938	Dec. 28, 1938
Division of Livestock Disease Control	Feb. 14, 1938	Mar. 20, 1939
Milk Control Board	Feb. 28, 1938	Apr. 3, 1939
Department of Conservation:		
Division of Fisheries and Game	June 20, 1938	Feb. 17, 1939
Division of Forestry	May 16, 1938	Feb. 13, 1939
Department of Banking and Insurance:		
Division of Banks	Mar. 1, 1938	Dec. 15, 1938
Division of Insurance	Sept. 1, 1938	Mar. 1, 1939
Supervisor of Loan Agencies	Dec. 14, 1937	Dec. 15, 1938
Division of Savings Bank Life Insurance	Feb. 23, 1938	Aug. 1, 1939
Department of Corporations and Taxation:		
Income Tax Division	Dec. 1, 1937	Nov. 30, 1938
Appellate Tax Board	Feb. 18, 1938	Oct. 30, 1939
Division of Accounts	Sept. 26, 1938	June 1, 1939
Department of Education:		
General Department	Sept. 7, 1938	June 22, 1939
Teachers' Retirement Board	Jan. 1, 1938	Dec. 31, 1938
Division of the Blind	Dec. 18, 1937	Dec. 29, 1938
Massachusetts Nautical School	Jan. 31, 1938	Apr. 5, 1939
State Teachers College at Bridgewater	June 28, 1938	Sept. 8, 1939
State Teachers College at Fitchburg	June 22, 1938	Sept. 13, 1939
State Teachers College at Framingham	July 26, 1938	July 21, 1939
State Teachers College at Hyannis	June 1, 1938	May 10, 1939
State Teachers College at Lowell	July 14, 1938	Aug. 9, 1939
State Teachers College at North Adams	Nov. 26, 1938	June 26, 1939
State Teachers College at Salem	Aug. 13, 1938	Aug. 28, 1939
State Teachers College at Westfield	Sept. 21, 1938	July 18, 1939
State Teachers College at Worcester	Jan. 11, 1938	July 12, 1939
Massachusetts School of Art	June 22, 1938	July 12, 1939
Massachusetts State College	Dec. 1, 1937	May 1, 1939
Bradford Durfee Textile School	Apr. 8, 1938	June 20, 1939
Lowell Textile Institute	July 7, 1938	Aug. 28, 1939
New Bedford Textile School	Apr. 28, 1938	June 28, 1939

Department of Civil Service and Registration:	May 26, 1938	July 24, 1939
Board of Registration of Barbers	Mar. 8, 1938	July 13, 1939
Board of Registration of Certified Public Accountants	Dec. 16, 1937	Apr. 25, 1939
Board of Registration in Chiropody (Podiatry)	May 12, 1938	Apr. 20, 1939
Board of Dental Examiners	Feb. 18, 1938	Apr. 20, 1939
State Examiners of Electricians	Mar. 21, 1938	Apr. 18, 1939
Board of Registration in Embalming and Funeral Directing	Feb. 8, 1938	Apr. 20, 1939
Board of Registration of Hairdressers	Nov. 10, 1938	Sept. 1, 1939
Board of Registration in Medicine	Apr. 13, 1938	May 24, 1939
Board of Registration of Nurses	Apr. 13, 1938	May 25, 1939
Board of Registration in Optometry	Feb. 18, 1939	Apr. 20, 1939
Board of Registration in Pharmacy	Mar. 30, 1938	June 26, 1939
Board of Registration of Plumbers	Jan. 28, 1938	Dec. 20, 1938
Board of Registration in Veterinary Medicine	Sept. 3, 1938	July 28, 1938
Department of Labor and Industries:		
General Department	Oct. 18, 1938	Sept. 22, 1939
Division of Standards	Oct. 3, 1938	Nov. 13, 1939
Labor Relations Commission	Aug. 29, 1938	Oct. 24, 1939
Unemployment Compensation Commission	Dec. 1, 1938	Nov. 24, 1939
Department of Industrial Accidents	Jan. 3, 1938	Oct. 2, 1939
Department of Mental Health:		
General Department	July 1, 1938	Aug. 1, 1939
Belchertown State School	Nov. 17, 1938	May 8, 1939
Boston Psychopathic Hospital	Sept. 30, 1938	Oct. 25, 1939
Boston State Hospital	Aug. 1, 1938	May 31, 1939
Danvers State Hospital	July 26, 1938	June 19, 1939
Foxborough State Hospital	Nov. 4, 1938	May 18, 1939
Gardner State Hospital	Nov. 28, 1938	Oct. 16, 1939
Grafton State Hospital	Nov. 14, 1938	Nov. 3, 1939
Medfield State Hospital	Jan. 17, 1938	Mar. 23, 1939
Metropolitan State Hospital	Nov. 1, 1938	Nov. 16, 1939
Monson State Hospital	Oct. 3, 1938	Apr. 25, 1939
Northampton State Hospital	Nov. 28, 1938	Apr. 5, 1939
Taunton State Hospital	Oct. 13, 1938	Sept. 26, 1939
Walter E. Fernald State School	Nov. 2, 1938	Nov. 15, 1939
Westborough State Hospital	Feb. 21, 1938	Sept. 20, 1939
Worcester State Hospital	Oct. 1, 1938	Nov. 1, 1939
Wrentham State School	Sept. 29, 1938	June 13, 1939
Department of Correction:		
General Department	May 19, 1938	May 16, 1939
Massachusetts Reformatory	Dec. 1, 1937	Jan. 24, 1939
Reformatory for Women	Dec. 1, 1937	Jan. 17, 1939
State Farm	July 28, 1938	Sept. 6, 1939
State Prison	Dec. 1, 1937	Jan. 20, 1939
State Prison Colony	May 23, 1938	Mar. 31, 1939
Department of Public Welfare:		
General Department	July 1, 1938	May 1, 1939
Boys' and Girls' Parole Department	July 1, 1938	June 1, 1939
Industrial School for Boys	Sept. 6, 1938	June 1, 1939
Industrial School for Girls	May 18, 1938	Apr. 28, 1939
Lyman School for Boys	Oct. 19, 1938	July 25, 1939
Massachusetts Hospital School	Aug. 15, 1938	July 25, 1939
State Infirmary	Sept. 23, 1938	Feb. 15, 1939
Department of Public Health:		
General Department	Nov. 3, 1938	Nov. 10, 1939
Lakeville State Sanatorium	May 7, 1938	Nov. 13, 1939
North Reading State Sanatorium	Mar. 17, 1938	Apr. 13, 1939
Rutland State Sanatorium	July 20, 1938	Oct. 24, 1939
Westfield State Sanatorium	Nov. 14, 1938	May 9, 1939
Pondville Hospital	Apr. 27, 1938	Aug. 31, 1939
Department of Public Safety	Nov. 3, 1938	Sept. 15, 1939
Department of Public Works:		
General Department	Jan. 31, 1938	Oct. 2, 1939
Registry of Motor Vehicles	Mar. 7, 1938	Mar. 7, 1939
Department of Public Utilities	Mar. 17, 1938	Feb. 8, 1939
Metropolitan District Commission:		
General Department	Dec. 1, 1937	Nov. 30, 1938
Division of Metropolitan Planning	Jan. 12, 1938	Feb. 9, 1939
Metropolitan District Water Supply Commission	Aug. 1, 1938	Mar. 16, 1939

Respectfully submitted,

RUSSELL A. WOOD,
Auditor of the Commonwealth.